



U.S. Department of Health and Human Services (eagle) logo, Administration for Children and Families logo and Early Childhood Development logo. Below logos are 9 photos of children

Current Wages, Despite Educational Attainment, Undermine Quality Care Goals

By Linda K. Smith, Deputy Assistant Secretary for Early Childhood Development

One of the top goals of the Child Care and Development Block Grant (CCDBG) Act of 2014 is to increase the number and percentage of low income children in high quality care. What we know is that high quality care is related to the strength of the workforce, which means the education and training, the experience, and pay to attract and retain teachers and caregivers who can offer high quality care.

What we also know is that quality care costs more to provide (i.e., it costs more to attract and retain higher educated staff and to maintain low child:staff ratios, which studies show lead to higher quality/more effective interactions between children and adults). The challenge to expanding access to high quality care in every community is that parents already struggle to afford the cost of care. They simply can't pay more. And, yet, most children in early learning settings today, are in settings financed through parent fees. To promote high quality care across settings, with a well-educated and trained workforce, it is essential that we find an alternative way to finance our early learning system – the current system doesn't work. We need to close the gap between what parents can afford to pay and what it costs to ensure high quality teachers.

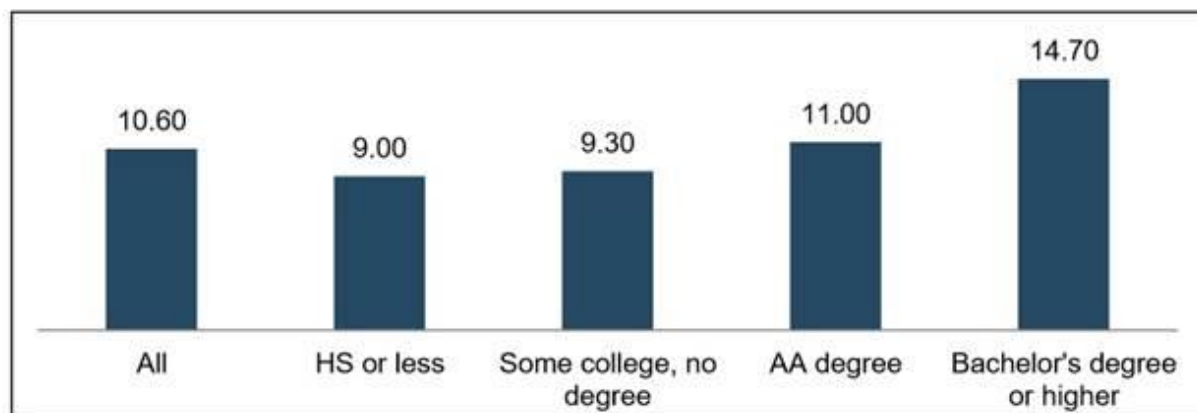
The [National Survey of Early Care and Education](#), a study funded by the U.S. Department of Health and Human Services, presents the first nationally representative portrait of ECE teachers and caregivers working in center and home-based settings, including a review based on their educational attainment, years of experience, and wages earned.

The data is particularly illuminating when viewed across the different types of center-based settings by level of education and earnings. The good news is that the study found that educational attainment within the early childhood workforce

is higher than previously reported. Among the 1 million teachers and caregivers employed at 130,000 center-based programs (*which does not include individuals who serve as directors, administrators or other specialists not serving as teaching or caregiving staff*), a majority (53%) reported having a college degree or higher.

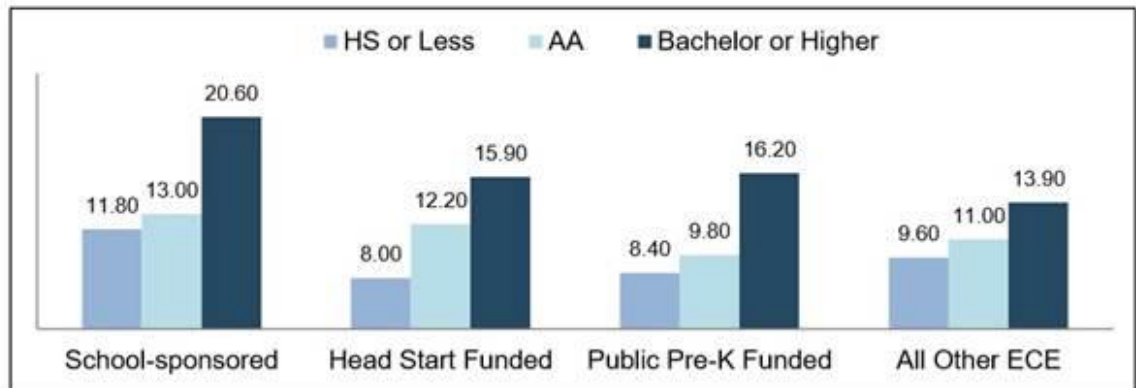
In general, median wages varied by educational level, which is to be expected. However, even at the highest level of education (i.e., a BA or higher), hourly wages for an individual with a BA working in an early learning settings falls far below the average earnings of people with a B.A. -- \$27 per hour.

Figure 7. Median Hourly Wages of Center-Based Teachers and Caregivers by Educational Attainment



Therefore, the first challenge is that overall wages are low compared to other professions. Second, in looking across settings, there is great variance in wages among individuals with the same level of education. For example, there is a \$6.70 per hour difference in the median wage between employment in a public school-sponsored program versus a center-based community program for those with a BA or higher. If employed full-time, for a standard 2,080 hour year, that would translate to a gap of \$13,936 per year. See figure 8 below.

Figure 8. Median Hourly Wages of Center-Based Teachers and Caregivers by Education and Type of Sponsorship and Funding of Center-Based Program of Employment



Note: 'Head-Start funded' category excludes school-sponsored programs; 'Public pre-k funded' category excludes school-sponsored and Head Start-funded programs.

The wage differential, despite educational attainment, is important because the report also shows that 59% of workers were employed at center-based programs ("all other categories") compared to programs sponsored by schools, Head Start, or publicly funded Pre-K.

Another illuminating factor is the low wages earned by those who work with children under age 3 compared to those who work with children ages 3-5. Median hourly wages for those working with children under age 3 are not only far lower than wages paid to individuals working with preschool-age children, however, there is also little financial incentive for individuals working with our youngest children to attain higher levels of education because only modest increases in income accompany each improvement in professional development.

What this means for the field is that we have several challenges. Wages vary by educational level across settings and also by the age of children served. For example, on average, those individuals with a BA or higher degree working with children age 3-5 earn about \$4 more per hour than those working with younger children, which translates to about \$8,320 per year. Despite what the neuroscience shows about early brain development and the foundation formed, which is critical for future learning and behavior, programs pay those working during a child's earliest years the least – even when individuals have the same educational level.

Another challenge, equally significant, is the differences in pay among individuals with the same level of education across settings. A few dollars an hour translates to thousands of dollars a year. With the majority of the workforce employed in center-based settings – not sponsored by public schools, Head Start, or publicly

funded Pre-K -- it's easy to see why community child care centers have difficulty attracting and retaining staff with degree. These programs are dependent on parent fees and as we all know, parents struggle with the cost of child care, which means programs have every incentive to pay the lowest levels that they can in order to keep operating costs balanced.

The goal is high quality care and early learning across systems, across settings, across age groups. The current system has too many discrepancies, which leads to turnover, lack of continuity in care, and higher operating costs in training new staff as current staff depart for higher wages. And, individuals employed within the ECE sector are paid far less than comparably educated colleagues.

We want a better educated and trained workforce to promote high quality settings. We know that education and training makes a difference. We know the science behind brain development in the earliest years. It is time to figure out a way to pay wages across settings for similarly educated teachers and caregivers in a more comparable manner – regardless of the age of the children or setting in which workers are employed. And, at a rate comparable with other professions in which individuals have a degree.

Because the majority of programs are funded through parent fees and parents can't afford more, it is time to seriously look at alternative funding strategies. Education, training, and wages are a few of the key ingredients that promote high quality, but the overall recipe, the infrastructure that supports the system, needs an overall. Over the course of the next few months, we will be looking at the costs of quality and innovative financing strategies to support it. If you have ideas, I urge to submit your ideas to linda.smith@acf.hhs.gov. A high quality system is more than parents can pay. How can we pay for it?

The National Survey of Early Care and Education brief can be found at http://www.acf.hhs.gov/sites/default/files/opre/nsece_wf_brief_102913_0.pdf.

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